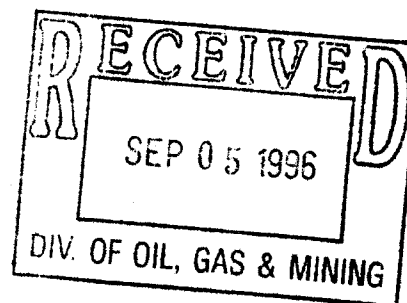


**USMX**

August 27, 1996

Mr. D. Wayne Hedberg  
Utah Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-12003



Reference: Final Closure of Pad 1  
Goldstrike Mine, St. George, Utah

Dear Mr. Hedberg:

The regrading and top soiling of Pad 1 have been completed. As these activities were being completed, care was taken to maintain the integrity of a peripheral drain system. This was done to assure that water from any event during reclamation would remain within the present containment system until such time as a top soil cover would prevent storm water from coming in contact with heap material. Presently this drain system is still in place pending approval of the reclamation work.

Under the terms of USMX's approved closure/reclamation plan, once reclamation is complete, surface water from these areas are no longer be required to flow into the containment system. Therefore we would like to apply for permission to eliminate the Pad 1 peripheral drain system.

During a recent DWQ compliance visit, Lyle Stott approved the reclamation of Pad 1 and recommended that we proceed (pending UDOGM approval) with the finalization of this work which will entail covering this drain with soil.

Presently USMX would like to coordinate the elimination of the peripheral drain system with the contour ripping and seeding. The present plan is to complete this work during the seeding window later this year.

If you have any questions, please feel free to call me at 801-574-3269.

Sincerely,

USMX OF UTAH, INC.

Doug D. Jensen  
Environmental Coordinator